

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



**CORRECTED
FISCAL NOTE**

SB 924 - HB 1160

March 7, 2011

SUMMARY OF BILL: Prohibits insurers, employers, or entities that administer expense incurred health insurance, or insurance companies that administer expense incurred health insurance services programs for such entities, from denying claims for expenses incurred in connection with the covered patients' diagnosis and treatment. Prohibits the setting of limits for benefits, reducing benefit levels, or failing to pay for services rendered by a non-governmental charitable research hospital because the hospital bills patients for services rendered to the patient by a healthcare research institution. Defines "expense incurred health insurance," "healthcare research institution," and "insurance company."

ESTIMATED FISCAL IMPACT:

On February 28, 2011, a fiscal note was issued estimating a fiscal impact as follows:

NOT SIGNIFICANT

Due to an oversight, a statement regarding the potential impact on health insurance premiums as required pursuant to Tenn. Code Ann. § 3-2-11 was not included and this impact was in error. Based upon further review, the estimated impact is:

Increase State Expenditures – Not Significant

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would not result in a significant increase in the cost of health insurance premiums because it will not significantly change the types of services that will be covered by insurance carriers or the types of facilities in which the services are provided.

Assumption:

- The Department of Commerce and Insurance will administer and enforce the provisions of the bill through the receipt of complaints from providers and covered individuals when an insurance carrier failed to remit payment for services. Any increase in complaint investigations will be not significant.
- The Department does not anticipate a change in programs or policies, and the fiscal impact to state government is estimated to be not significant.

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- The provisions of the bill will not have any impact on the TennCare program.
- Private health insurance impact: Pursuant to Tenn. Code Ann. § 56-7-2302, insurance carriers are required to pay for claims or expenses incurred in a policyholder's treatment by a non-governmental, charitable research hospital and are required to reimburse services, including hospitalization, administered by a non-governmental, charitable research hospital. Broadening the facilities included from a non-governmental, charitable research hospital to a non-governmental, nonprofit research institution with its principal place of business in this state will not significantly change the services being covered or the types of facilities covered under current law.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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